

## PUBLIC HEARING

AUGUST 7, 2013

A public hearing of the Council of the County of Kaua'i was called to order by Tim Bynum, Chair, Finance & Economic Development (Tourism / Visitor Industry / Small Business Development / Sports & Recreation Development / Other Economic Development Areas) Committee, on Wednesday, August 7, 2013, at 8:37 a.m., at the Council Chambers, 4396 Rice Street, Room 201, Historic County Building, Lihu'e, and the presence of the following was noted:

Honorable Tim Bynum  
Honorable Nadine K. Nakamura  
Honorable Mel Rapozo  
Honorable JoAnn A. Yukimura  
Honorable Jay Furfaro

Excused: Honorable Gary L. Hooser  
Honorable Ross Kagawa

The Clerk read the notice of the public hearing on the following:

"Bill No. 2495 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A, KAUA'I COUNTY CODE 1987, AS AMENDED, RELATING TO REAL PROPERTY TAXES,"

which was passed on first reading and ordered to print by the Council of the County of Kaua'i on July 17, 2013, and published in The Garden Island newspaper on July 24, 2013.

The following communications were received for the record:

1. Albert Baroni, dated August 2, 2013
2. Mel Chiba, dated August 1, 2013
3. Walton D.Y. Hong, dated August 6, 2013
4. Carl Imparato, dated August 6, 2013
5. Walter Lewis, dated August 6, 2013
6. Dennis K. Tanimoto, dated August 5, 2013
7. Keith Uyeno, dated August 6, 2013
8. Corinne King, dated August 5, 2013
9. Gini Martin, dated August 6, 2013

The hearing proceeded as follows:

STEFANIE SAKAMOTO: Good morning Councilmembers. My name is Stefanie Sakamoto and on behalf of the Hawai'i Credit Union League and Dennis Tanimoto, you have his testimony in front of you. Dennis Tanimoto could not be here today, he is out-of-State. Also, many Kaua'i Credit Union people wanted to be here this morning, but they are also out-of-State at a conference. Mel Chiba, Scot Tsuchiyama, and a few others asked me to convey their apologies. You have our written testimony, so I will not read it. I will just say that we represent six (6) Kaua'i Credit Unions, representing about fifty-five thousand (55,000) members.

Credit Unions are not for profit financial institutions formed to serve the underserved and promote thrift and provide a source of credit to its members. We will just say that a tax on credit union's is a tax on its members. We humbly ask that you oppose Bill No. 2495. Thank you very much.

Chair Bynum: Are there any questions? Councilmember Yukimura.

Ms. Yukimura: Thank you for being here.

Ms. Sakamoto: Thank you.

Ms. Yukimura: So, under this Bill as I understand it, Credit Unions will pay one thousand five hundred dollars (\$1,500), I think?

Ms. Sakamoto: Yes.

Ms. Yukimura: A flat fee?

Ms. Sakamoto: Yes, per Credit Union property.

Ms. Yukimura: Yes. Is that something that would be difficult for Credit Unions to pay?

Ms. Sakamoto: It would be especially in these times of economic struggle. Many of our Credit Unions are what we call Negative Earners, they are struggling as well.

Ms. Yukimura: What are Negative Earners?

Ms. Sakamoto: Credit Unions that are not making any profit and again, because Credit Unions are not for profit financial institutions, the profits are passed onto the members.

Ms. Yukimura: Right, like Kaua'i Island Utility Cooperative (KIUC) is a cooperative too, but they pay in-lieu taxes, pretty high taxes. So, is it that you are not allowed to make any profit or is there a cap on the profit, you can only make so much percent?

Ms. Sakamoto: We are considered non-profit.

Ms. Yukimura: Yes, I know. But I think non-profits are allowed to make a certain amount of profit, up to a certain amount.

Ms. Sakamoto: I am not sure. I would have to check.

Ms. Yukimura: Can you get back to us?

Ms. Sakamoto: Sure.

Ms. Yukimura: Great.

Ms. Sakamoto: No problem.

Ms. Yukimura: Thank you.

Ms. Sakamoto: Thank you.

Mr. Bynum: Are there any other questions for  
Ms. Sakamoto? If not, thank you very much.

Ms. Sakamoto: Thank you.

Chair Bynum: I am sorry, I did not see the Council Chair. I  
apologize.

Mr. Furfaro: No, thank you, Committee Chair. The six (6)  
Credit Unions on Kaua'i represent about how many members?

Ms. Sakamoto: About fifty-five thousand (55,000).

Mr. Furfaro: Fifty-five thousand members?

Ms. Sakamoto: Yes.

Mr. Furfaro: Fifty-five thousand (55,000) of our  
sixty-eight thousand (68,000) population. It seems...

Ms. Sakamoto: The numbers is fifty-five thousand (55,000)  
members, but there could be overlap, some people could be members of more than  
one Credit Union.

Mr. Furfaro: Very good point. In the structure of your  
organizations there are provisions for Capitol Improvement Project (CIP) reserves  
for Credit Unions?

Ms. Sakamoto: I am not sure about that actually. I have  
some of you Credit Union people here, maybe they could better tell you.

Mr. Furfaro: No, I can send the question over to the  
Department of Finance.

Ms. Sakamoto: Okay, I can check too.

Mr. Furfaro: I just thought maybe you could share it with  
me. Again, I would just like to echo Ms. Yukimura's comments. Thank you for  
being here this morning.

Ms. Sakamoto: Thank you for hearing us.

Mr. Furfaro: Committee Chair, thank you.

Chair Bynum: Thank you. Is there anyone else who wishes  
to testify on this matter?

There being no further testimony on this matter, the public hearing adjourned at 8:42 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'S. Sato', written over a faint, illegible background.

SCOTT SATO  
Council Services Review Officer

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